



Mayor
Elise Partin

Mayor Pro-Tem
Tim James

Council Members
Phil Carter
Hunter Sox
Byron Thomas

City Manager
Tracy Hegler

Deputy City Manager
Jim Crosland
Assistant City Manager
Michael Conley

**City of Cayce
Regular Council Meeting
Tuesday, January 2, 2024**

The January 2, 2024, Regular Council Meeting was held this evening at 6:00 p.m. in Council Chambers. Those present included Mayor Elise Partin, Mayor Pro Tem Tim James and Council Members Phil Carter, Hunter Sox and Byron Thomas. City Manager Tracy Hegler, Deputy City Manager Jim Crosland, Assistant City Manager Michael Conley, Municipal Clerk Mendy Corder, Police Chief Chris Cowan, Fire Chief Steven Bullard, Finance Director Kelly McMullen, Human Resources Director Lynn Dooley and Utility Director Betsy Catchings were also in attendance.

Mayor Partin asked if members of the press and the public were duly notified of the meeting in accordance with the FOIA. Ms. Corder confirmed they were notified.

Call to Order

Mayor Partin called the meeting to order and gave the invocation. Council Member Thomas led the assembly in the Pledge of Allegiance.

Approval of Minutes

Ms. Hegler stated that Mayor Pro Tem James' recusal form from the last Council Meeting was not included in the agenda packet so she was asking Council to defer the approval of the minutes to the next Council Meeting so everything was fair and transparent in the agenda packet. Council Member Carter made a motion to defer the December 5, 2023 Regular Council Meeting minutes to the February 6, 2024 Council Meeting. Council Member Sox seconded the motion which was unanimously approved by roll call vote.

Public Comment Regarding Items on the Agenda

No one signed up for Public Comment.

Presentations

- A. Presentation of Distinguished Budget Presentation Award for Fiscal Year 2023-2024 from the Government Finance Officers Association of the United States and Canada

Mayor Partin stated that Municipal Treasurer Ms. Kelly McMullen, the City's Financial Reporting Manager Ms. Alison Barrs, and Staff Accountant Ms. Leila Williams were in attendance and she was pleased to recognize them for two (2) awards. She stated that the first award was the Government Finance Officers Association's

Distinguished Budget Presentation Award for the City's budget. She stated that the award represented a significant achievement and reflected the commitment of a governing body and staff to meet the highest principles of governmental budgeting. She stated that in order to receive the budget award, the City had to satisfy nationally recognized guidelines for effective budget presentation. She stated that these guidelines were designed to assess how well the City's budget served as a policy document, a financial plan, an operations guide, and a communications device. She stated that budget documents must be rated proficient in all four (4) categories and then the 14 mandatory criteria within those categories to receive the award. Mayor Partin stated that there were over 1,700 participants in the budget awards program and the award recipients had pioneered efforts to improve the quality of budgeting and provide an excellent example for other governments throughout North America.

B. Presentation of a Certificate of Achievement for Excellence in Financial Reporting Award for Fiscal Year 2021-2022 from the Government Finance Officers Association of the United States and Canada

Mayor Partin stated the second award was the Certificate of Achievement for Excellence in Financial Reporting for the City's annual Comprehensive Financial Report for the fiscal year ending June 30, 2022. She stated that the report had been judged by an impartial panel to meet the high standards of the program, which included demonstrating a constructive spirit of full disclosure to communicate clearly its financial story and motivate potential users and user groups to read the report. She stated that the Certificate of Achievement was the highest form of recognition in governmental accounting and financial reporting and its attainment represented a significant accomplishment by a government and its management.

C. Presentation of the City of Cayce FY 2021-2022 Comprehensive Annual Financial Report by Mauldin & Jenkins, CPA

Mr. Grant Davis stated that he was a partner with Mauldin and Jenkins CPA and he was happy to review the results of the City's audit. He stated that their opinion on the City's financial statements was an unmodified opinion, which was ultimately really the only acceptable result in a financial statement audit. He stated that a clean opinion was the way to think about that. He stated that the management's discussion and analysis section of the document was important because it provided discussion analysis by management as to why things increased or decreased in terms of the City's assets, liabilities, revenues, expenses and so forth. He stated that the statement of net position was simply a balance sheet for the City as a whole and included all its activities and were broken up into two (2) types of activities. He stated that one (1) was the governmental activities and the other was the business type activities. Mr. Davis stated that the business type activities only included the water utility and the governmental activities ultimately record the activity of the General Fund and other like funds.

Mr. Grant stated that the total assets of the City was approximately \$204 million with capital assets being the largest portion of that. He stated that capital assets were things like infrastructure, vehicles, buildings, and those are reported net of accumulated depreciation. He stated that the City had liabilities of approximately \$91 million. He stated that the largest items within that total were the City's outstanding revenue bonds which were mostly associated with the utility operation and then the City's portion of the State sponsored pension plan at about \$22 million. He stated that ultimately gave the City equity or what they called governmental world net position of about \$116 million, which was up by about \$2.8 million from fiscal year 22. He stated that was overall an increase in equity, or net position from 2022 to 2023.

Mr. Grant stated that total assets of the General Fund alone were approximately \$12 million and the largest portion of that was cash, which was a great thing. He stated that almost \$8.8 million in cash at the end of fiscal year 23. He stated that it was important to look at the categories of fund balance and the largest individual portion was unassigned which was basically fund balance that was available to appropriate from year to year. He stated that fund balance was a percentage reflected in the expenses of the City for the year and the General Fund and if you took the expenses of the General Fund for the year and simply divided that into fund balance, one would get about seven and a half months of fund balance on hand on June 30. Mr. Grant stated that the major revenue sources of the General Fund were largely made up of property taxes and the property tax calendar dictated that most of that revenue be collected in a short period of time at the end of the calendar year. He stated that the period around June 30 was ultimately a pretty lean period of time from a cash flow perspective and to have seven and a half months of fund balance on hand the City had plenty to get through the rest of the year until that large revenue source continued to come in. He stated that anything close to 6 to 7 months was a great place to be in terms of available fund balance and the General Fund.

Mr. Grant stated that in the General Fund there was \$15.9 million in revenues versus \$17.2 million in expenditures. He stated that there were other financing sources and uses and ultimately, those led to an infusion in the General Fund of about \$2.3 million. He stated that ultimately fund balance in the General Fund increased about \$940,000 from fiscal year 22 to 23 which totaled approximately \$2.5 million.

Mr. Grant stated that they did a report on internal controls and compliance with laws, regulations, grant agreements and so forth. He stated that they were required to conduct their audit in accordance with government auditing standards and communicate to the City if there were any instances of noncompliance or internal control deficiencies. He stated that he was happy to say that they did not know of any instances of noncompliance or internal control deficiencies therefore it was a clean report. He stated that the next report was related to the City's spending of federal monies. He stated that when a City spends over \$750,000 on an annual basis in federal monies, it will trigger a compliance audit. He stated the Federal Government dictated the types of compliance

requirements that recipients must ultimately comply with, therefore; an audit of compliance was conducted relative to the American Rescue Plan Act, Coronavirus, State and local fiscal recovery funds which amounted to approximately \$2 million in fiscal year 23. Mr. Grant stated that his firm ultimately issued a clean report on the City's spending of those monies. He stated that from an audit reporting standpoint there were no known instances of noncompliance or internal control deficiencies, with both the financial statements and Federal compliance over the Federal program.

Mr. Grant stated that as external auditors his agency did not have disagreements with City management. He stated that the audit was conducted in accordance with government auditing standards and it was a great process. He stated that he was happy to be presenting the audit to Council in January since from a timeline perspective, financial information lost its value the farther away from the year in sight. He thanked Ms. McMullen and her team members and those involved on the City side, in assisting and issuing a quality document and the quality audit to the City. He stated that there was nothing negative at all to report and he stated he would be happy to try to answer any questions.

Mayor Pro Tem James asked if there were any best practices for what a city should have in fund balances as far as workable months. Mr. Grant stated that there were some guidelines from the Government Finance Officers Association that say a city should have somewhere between 20% and 30% of budget expenditures with an unassigned fund balance in the General Fund. He stated that relative to a property tax calendar, if there was a December year end, then there would be a lot of money at the end of December. He stated that theoretically, to be a June year end and be at a very lean time in terms of cash flows it was excellent to have six (6) months plus the fund balance to have no concerns about continuing to advance the City's initiatives and everything that had been planned all the way through the year and not have to get to the point where the City relied on debt financing in the form of a tax anticipation note or something similar.

Mayor Pro Tem James asked if the City was viewed as financially stable. Mr. Grant stated it was. Mayor Pro Tem James stated that it was a credit to Ms. McMullen and her team as well as department directors as they did not overspend.

Resolution

- A. Consideration and Approval of Resolution Recognizing Mr. Danny Crowe's 25 Years Serving as the City of Cayce's City Attorney

Mayor Pro Tem James made a motion to approve the Resolution and Council Member Carter seconded the motion which was unanimously approved by roll call vote.

Mayor Partin stated that the Resolution recognized Mr. Danny Crowe for his 25 years of service as the City's City Attorney. Mr. Crowe thanked those who made his recognition possible. Mayor Partin stated that she would like to recognize Ms. Hegler for leading a great team and putting the City in a position where the team was supported and winning awards. She thanked Council for making wise judicious decisions about taxpayer money, so they were able to operate from a safe and careful position with taxpayer dollars. Mayor Partin thanked Mr. Crowe for making sure the City operated with excellence and ethics and for taking care of the City.

Ordinance

A. Discussion and Approval of Ordinance 2024-01 Amending City Code Section 2-66 Concerning Regular Meetings of Council – First Reading

Ms. Hegler stated that Ordinance 2024-01 was a move to try to operate more efficiently and effectively. She stated that there were some previous conversations about it and it was how the City operated a few years ago before Council moved to two (2) meetings a month. She stated that the Ordinance would prescribe that Council would be required to hold one (1) meeting a month on the first Tuesday and Council would call workshops and other meetings as needed, per the change recommended in the Ordinance. She stated that staff recommended Council give First Reading approval to Amending Code Section 2-66, as described, moving from two (2) required meetings a month to one (1) that would be the first Tuesday and if approved, upon Second Reading, a new calendar would then be presented.

Council Member Sox made a motion to approve the Ordinance. Council Member Thomas seconded the motion. Council Member Sox asked if the Ordinance was passed and then a Second Reading was passed if the first change would take place for the second meeting in February. Ms. Hegler stated that Second Reading would take place at the next meeting and there would be a first meeting in February and a workshop later in February.

Mayor Pro Tem James asked if there would not be a standing second meeting, but a workshop. Ms. Hegler stated that there would effectively be two (2) meetings a month, but one would be a workshop instead of a formal meeting although the Ordinance would not prescribe the workshop as a required meeting. Mayor Pro Tem James stated that as a follow up there would not be a standing workshop each month. Ms. Hegler stated that a standing workshop could be put in the Ordinance if it was desired, but that Council would still be having effectively two (2) meetings a month. She stated that workshops were not technically formal meetings with the same kind of actions. She stated that the current Ordinance did not prescribe that workshops were required. Mayor Pro Tem James asked if there would not be a second meeting unless called. Ms. Hegler stated that was correct. Mayor Pro Tem James asked if voting could take place at a meeting if notice was given. Ms. Hegler stated if the meeting was called

as a special meeting and it was notified properly, then formal action could be taken. Mayor Pro Tem James stated that his concern was slowing things down because of a Second Reading being necessary before something goes into place therefore it could take two (2) months before something would go into place. Ms. Hegler stated that was correct, that work sessions were intended to be discussions of big topics and visioning, not formal actions. She stated that Council could take action to put something on the next agenda if wanted. Mayor Pro Tem James stated he was prepared to move forward but wanted to understand. He stated that during budget season, there would have to be special meetings because the budget could not be started in October. He stated that would be tough. Ms. Hegler stated that there would probably be a couple of special meetings called with action based on content with more work sessions to talk more about the topics. She stated that the budget would be talked about more often and earlier than typical.

Mayor Pro Tem James stated he loved the work sessions but did not intend for them to take place of a standing meeting. He stated that work sessions would certainly be something to look into when Council had several things that were needed to be talked about and would need to be a little more informal. He asked how many years there had been meetings as a Council twice a month. Ms. Hegler stated it was in the last four (4) years. Mayor Pro Tem James asked if it had been a work session when Ms. Hegler came on. Mayor Partin stated that there had never been a work session unless it was at the request of Council. Mayor Pro Tem James stated he was fine to go forward but would like to try to put his hands around a little bit more as he did not want to unintentionally delay things or put more work on staff in a fast manner. Mayor Partin stated that was a good thing. Council Member Sox stated that in the past few years the second meeting was changed from a special meeting to a regular meeting for procedural reasons he assumed but he did not recall the reason. He stated that he was not sure of the mechanics of scheduling a work session if he had three (3) or four (4) items he wanted to talk about and asked would he just call the City Manager and state a work session needed to be scheduled and she would schedule it. Ms. Hegler stated yes and that when she provided this information to Council, she proposed Council continue to hold the work sessions on the third Wednesday. She stated that it would just not be a scheduled action Council Meeting, but that they would be held typically then. She stated she assumed Council already would have them on their calendar, as they were just not required by Ordinance to be held. She stated that change happened since she had been at the City. She stated that Council used to hold Council called meetings as they had items to take up but that did not seem efficient so Council moved to the two (2) meetings a month. Ms. Hegler stated which now no longer seemed to be the desire of Council and they now would like to have three (3) meetings a month to include the work session.

Mayor Pro Tem James stated that Council might not meet three (3) times every month but as work sessions were needed such as budget season. Ms. Hegler stated that Council would probably need a special called meeting with action at those times

instead of a work session, but she was open to whatever Council wanted. Mayor Pro Tem James stated that he was prepared to vote that night and that was one of the reasons that Council has two 92) readings so it could be discussed between the meetings. Mayor Partin called the question which was unanimously approved by roll call vote.

B. Discussion and Approval of Ordinance 2024-02 Granting Lumos Fiber of South Carolina, LLC a Nonexclusive Franchise for the Use of Public Streets and Public Rights-of-Way for Facilities for Telecommunications Services – First Reading

Ms. Hegler stated that as discussed last month, everybody had seen Lumos in the area installing fiber optics. She stated that by State law, the City was allowed to have a franchise agreement with them but with telecommunications it was very restrictive. She stated that the City could not prevent them from being there but could establish some rules with Lumos. She stated that based on Cayce's population, the City was allowed to ask for \$750 a year as a franchise payment. Ms. Hegler stated that it was found that in other places Lumos had been providing high speed Wi Fi internet to the parks where they were laying fiber optic, so the City had asked for that as well. She stated that Lumos was still deliberating this on their end which was another reason why it was beneficial to have First and Second Readings. Ms. Hegler proposed Council approve First Reading and she would respond back with any changes that were proposed between First and Second Reading.

Council Member Carter made a motion to approve the Ordinance on First Reading. Council Member Sox seconded the motion. Council Member Thomas asked if the parks would include the Lexington County owned parks in Cayce. Ms. Hegler stated that that was what she was discussing with Lumos. She stated she was not being restrictive on the parks so much as the location where the fiber optics were going. She stated that Lumos did have a maximum number that they did for Irmo, which was what they recently relayed to City staff, so there might be a struggle with getting them to do all parks. She stated that currently staff had not spoken to them about which parks those might be. She stated that logistically it would have to be near where they were laying lines. Council Member Thomas stated that he asked the City Manager if she could provide Council with a map of where Lumos was going to be laying out these lines so it could be advertised where the parks were that would have Wi Fi and that hopefully in time possibly the City could work to make sure all parks in the City had Wi Fi. He stated that Council would want to bring that to the citizens so they could do homework or work and play and enjoy the City parks. He asked if Ms. Hegler could confirm that Cayce would be the only city within the area that had Wi Fi for their parks. Ms. Hegler stated that she was not sure if other cities were providing Wi Fi themselves, but she believed only Irmo had asked for it through this method. She stated that she was not sure what areas like West Columbia parks were like but offered to look into it. She stated she did request an idea of where the lines were going and stated that was how

the City would identify what parks they might be willing to serve. Mayor Partin called the question which was unanimously approved by roll call vote.

Committee Matters

- A. Appointments and Reappointments
 - Planning Commission – One (1) Position
 - Beautification Foundation – Two (2) Positions

Mayor Partin stated Mr. Ed Fuson recently resigned from the Planning Commission and the City had received three (3) potential member applications from Mr. Danny Creamer, Ms. Donna Zeigler and Mr. Dan Gooch in that order. Council Member Sox made a motion to appoint Mr. Creamer to the vacant position on the Planning Commission. Mayor Pro Tem James seconded the motion which was unanimously approved by roll call vote.

Mayor Partin stated there were two (2) reappointments for the Beautification Foundation. She stated that Ms. Debra Carter's term on the Foundation expired in January and she would like to serve again. She stated that Ms. Carter had served on the Foundation since 2010 and was currently the Secretary of the Foundation and she regularly attended the meetings. She stated that Mr. Eric Shealy's term on the Foundation expired in January as well. She stated that he had served on the Foundation since 2021 and was currently the Vice President of the Foundation and regularly attended the meetings. Mayor Pro Tem James made a motion to reappoint both members. Council Member Sox seconded the motion which was unanimously approved by roll call vote.

City Manager's Report

Ms. Hegler stated that the Museum would be unveiling and opening its African American Exhibit on February 8, 2024 from 6pm to 8pm. She stated that Museum staff and the African American sub-committee had been working hard on the exhibit. She stated that Ms. Corder would follow up with Council with a flyer to make sure it was on their calendar.

Council Comments

Council Member Thomas stated that he hoped everyone got to experience the amazing Cayce West Columbia Chamber of Commerce and Visitors Center parade. He asked Mayor Pro Tem James how many people attended the parade. Mayor Pro Tem James stated approximately 21,000 people attended. Council Member Thomas stated he wanted to thank everyone involved with the parade to include the amazing police and fire personnel that kept everyone safe. He stated that the Chamber did an amazing job from all of the restaurants that provided food and the fun activities for people and

then people spent their money in Cayce. He stated he hoped more businesses, churches and other groups in Cayce would partake in the amazing parade because it was an event that brought people out. He stated he wanted to give a special thanks to City Parks Manager James Denny and whoever helped put the City float together as it was beautiful. Council Member Thomas stated that some people said the City's float had the most energy in the parade. He stated he hoped the City could build on that momentum and continue to attract more people to the City to spend their money there and more fun activities could be done in the City. He asked Ms. Hegler what role the City provided with hospitality tax assistance to the Chamber for that event. Ms. Hegler stated she did not know if there was a direct request for the parade this year. Mayor Pro Tem James stated the Chamber received a portion of accommodations tax but that there was no request for the parade this year. Council Member Thomas asked if there were requests from other cities that helped with the Chamber. Mayor Pro Tem James stated that there were. Council Member Thomas stated that hopefully next year the City could make sure to contribute because the Chamber was located in Cayce. He stated he thought there was a lot of pride with that and wanted to make sure to do due diligence in helping out with that. He stated he knew the City provided police and fire personnel but wanted to make sure the City helped as well so not one city got all the love and affection from what the Chamber was doing.

Council Member Sox stated that he wanted to update Council on a meeting he had with a developer group over Christmas break. He stated that the developer group owned some property on Lexington Avenue. He stated the developer wanted to work with the City on some property the City owned that was directly beside their property. He stated he believed it could really lead to diversifying the housing stock a little bit more if the City could come to an agreement that made sense for everyone. He stated he would like those discussions to continue. He stated he would like to discuss that at the next meeting or one of the work sessions. Mayor Partin asked if he had given that information to staff so they would know. He stated that he touched on it with staff but provided more information over an email. Council Member Sox also stated he would like to compliment Lieutenant McMillan and Officer Henderson, who he graduated high school with in 2014. He stated that someone took a package off his porch and the Officers had him within six (6) minutes with the stolen package. He stated it was a Christmas gift for his dad so he really appreciated them getting it back so quickly.

Executive Session

- A. Receipt of legal advice relating to claims and potential claims by and against the City and other matters covered by the attorney-client privilege
 - a. Update on Lexington County's Cancellation of Road Maintenance Agreement
 - b. Claim for Improvements to Taylor Street at New State Road

- B. Discussion of negotiations incident to proposed contractual arrangements and proposed purchases of property
- C. Discussion of compensation of an employee - City Manager's benefit package review

Mayor Pro Tem James made a motion to move into Executive Session. Council Member Sox seconded the motion. Mayor Pro Tem James stated that to be transparent he had emailed Mr. Crowe earlier in reference to Item A. 2, claim for improvements to Taylor Street at New State Road. He stated that he had received several emails and thought the word claim concerned some people. He asked if this was more of an update. He stated he spoke with the Council Member who requested this to be on the agenda and asked if it was a claim or an update. Council Member Sox stated he requested an update and discussion on the item, but he did not know of any claims. Mayor Partin stated there was a claim and asked if it should be talked about in Executive Session. Mr. Crowe stated it was characterized as a claim so it could be discussed in Executive Session and that claim meant asking for something but that no lawsuit had been filed. He stated that there was no formal notice of a claim but it was a claim request.

Mayor Partin called the question and the motion to move into Executive Session which was unanimously approved by roll call vote.

Reconvene

After the Executive Session was concluded, Mayor Pro Tem James made a motion to reconvene the Regular meeting. Council Member Carter seconded the motion which was unanimously approved by roll call vote. Mayor Partin announced that no vote was taken in Executive Session other than to adjourn and resume the Regular meeting.

Possible actions in follow up to Executive Session

Mayor Pro Tem James made a motion to authorize the City Manager to communicate with CMC the discussions that were held in Executive Session relating to Taylor Street and non-city funds. Council Member Carter seconded. Council Member Thomas asked to clarify the funds were County funds and not City funds. Ms. Hegler stated they were non-city funds. Mayor Partin called the question and the motion which was unanimously approved by roll call vote.

Adjourn

Mayor Pro Tem James made a motion to adjourn the meeting. Council Member Sox seconded the motion which was unanimously approved by roll call vote. There being no further business, the meeting adjourned at 9:14 p. m.

Elise Partin, Mayor

ATTEST:

Mendy Corder, CMC, Municipal Clerk

